

SECTION 13

CELLPHONE ALLOWANCE POLICY



NALEDI LOCAL MUNICIPALITY

Council resolves to adopt the following proposal as the Cellphone Allowance Policy of the Naledi Local Municipality

Policy effective date: [30 May 2012]

Approved date: [29 May 2012]

Resolution: [141/2012]

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1. INTRODUCTION

- 1.1. It is essential that officials and councillors in key positions be capacitated to communicate with each other and all other role-players such as National Government, Provincial Government, other municipalities, members of the community and all other partners in local government.
- 1.2. Any changes to this policy, as required from time to time, shall be presented and motivated to Council by the Municipal Manager.

2. BACKGROUND

The policy applies to affected council employees and prospective employees of the Naledi Local Municipality. Any employee, who feels aggrieved, may submit his/her grievance in terms of the Labour Relations Act, 108 of 1995.

3. DEFINITIONS

In this policy unless the context indicates otherwise:

"Employee"		means a permanent, temporary, part-time or contract employee or apprentice receiving pay or entitled to it, but excluding a student or independent contractor.
"Councillor"		means a councillor as defined in the Local Government Municipal Systems Act.

4. PURPOSE OF THE POLICY

The purpose of this policy is to:

- 4.1. Set out the basis for the payment of cell phone allowances or provision of council owned cell phone handsets for the purposes of communication.
- 4.2. Ensure that all cell phone costs incurred by the municipality are incurred in an efficient and effective manner.

5. AUTHORISATION

For purposes of implementing this policy:

- 5.1. Only the Municipal Manager or his/her delegate may authorise any cell phone allowance or provision of council owned cell phone handset, but provided the expenses to be incurred are on the approved budget of the relevant department and sufficient funds are available.
- 5.2. The appointment of an official to a specific qualifying position does not automatically entitle the official to a cell phone allowance or council owned cell phone handset. The required authorization must still be obtained from the Municipal Manager or his/her delegate in all cases.

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5.3. The awarding of a cell phone allowance or council owned cell phone handset does not automatically entitle an official to the renewal of an allowance or cell phone handset. Only the Municipal Manager or his delegate can authorize the renewal of such.

5.4. The Municipality reserves the right to withdraw a cell phone allowance or council owned cell phone handset at any time.

6. ALLOWANCE DETAILS

The Municipality provides the following options with regards to cell phone communications:

6.1. Cell phone Allowance

A predetermined cash amount is paid directly to the official or councillor via the monthly payroll

The following procedures are to be followed in the case of cell phone allowances:

- 6.1.1. The qualifying official or councillor is responsible for his / her own cell phone contract with a preferred service provider.
- 6.1.2. The official or councillor must supply their official cell phone number to the Municipality. Any changes to cell phone number details must be immediately communicated to the Municipality.
- 6.1.3. It is recommended that proper cell phone contracts are entered into and pre-paid options are not to be followed.
- 6.1.4. The pre-determined limit is paid in cash to the approved official or councillor on a monthly basis via the Municipality's payroll.
- 6.1.5. As the amount is regarded as an allowance it will be subject to the payment of PAYE in terms of the Income Tax Act.
- 6.1.6. The allowance covers all costs incurred by the official or councillor as far as cell phone communications is concerned.

6.2. Provision Of Council Owned Cell Phone Handset

Council owned cell phone handsets and related 2 year contracts are handed to qualifying officials and councillors

The following procedures are to be followed in the case of the provision of council owned cell phone handsets:

- 6.2.1. The Municipality enters into a two year contract with a service provider of its choice. The contract will be in the name of the Municipality, but on behalf of the employee. Officials have to enter into an agreement with the Municipality with regards to his / her cell phone.
- 6.2.2. Any costs relating to the monthly bill and the renewal of such contracts will be the responsibility of the Municipality.
- 6.2.3. The acquisition of cell phone handsets is the responsibility of the Finance department and all handsets will be delivered to the Finance department. All employees and councillors are only allowed one contract per official or councillors.

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6.2.4. When a handset is delivered to the Finance department, a cell phone register will be completed with the following details:

- Date of receipt;
- Make and model of phone;
- Monthly cost;
- Serial number of phone;
- Allocated asset number of phone;
- Signature of finance clerk taking phone into receipt;
- Name of official to receive phone;
- Department of official to receive phone;
- RICA registration;
- Signature of official collecting phone; and
- Date of collection.

6.2.5. Only once all of the above information is captured on the cell phone register, may the cell phone be given to the employee.

Ownership

6.2.6. The handset will remain the property of the Municipality for the remainder of the two year contract.

6.2.7. Once this contract expires or is renewed, the residual value of the cell phone must be determined by an independent valuer.

6.2.8. After this value is determined, the councillor or employee of the Naledi Local Municipality will have the first option to buy the cellphone. If the cellphone is not sold all employees and councillors may be given the chance to bid for the cell phone. No employee will be privileged in this regard.

6.2.9. An employee's bid may not be less than the residual value of the cell phone. If an employee makes a bid lower than this value, the bid will not be accepted. The residual value will be known to all and considered as the minimum bid for the cell phone. The employee who submits the highest bid will purchase the cell phone.

6.2.10. In the instance where an employee does not buy the cell phone, the Municipality may put the cell phone up for public auction.

6.2.11. The bid at a public auction may not be lower than the residual value of the cell phone. If the cell phone is not auctioned, it will be donated to a institution of the council's choice.

6.3. Cell Phone Voucher Procedures

Pre-paid cell phone vouchers are purchased monthly by the Municipality on behalf of the official

The following procedures are to be followed in the case of cell phone vouchers:

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- 6.3.1. The qualifying official is responsible for his / her own cell phone contract with a preferred service provider;
- 6.3.2. The official must supply their official cell phone number to the Municipality. Any changes to cell phone number details must be immediately communicated to the Municipality;
- 6.3.3. Pre-paid cell phone options are allowed in this case;
- 6.3.4. Pre-paid vouchers up to a determined limit are purchased by the Municipality directly following the approved Supply Chain Management Policy and handed to the qualifying officials on a monthly basis; and
- 6.3.5. The provision of pre-paid vouchers is meant to cover all costs incurred by the official as far as cell phone communications is concerned.

7. CELL PHONE TARIFFS

7.1. Cell Phone Allowances

- 7.1.1. The following maximum cell phone allowances per month are applicable with regards to officials:

Technical and other (Level 3 and below): Vodacom Talk 200 equivalent value

Manager (Level 2) Vodacom Talk 200 equivalent value

Senior Manager (Section 57): Vodacom Talk 500 equivalent value

Municipal Manager (Section 56): Vodacom Talk 1000 equivalent value

Cell phone allowances to councillors are paid in terms of the allowances applicable per the Remuneration of Public Office Bearers Act as applicable from time to time.

- 7.1.2. Cell phone allowances are paid mindful of limitations stipulated in current legislation and section 57 employment contracts.
- 7.1.3. Managers, senior managers and councillors are entitled to choose to be paid cell phone allowances instead of being allocated a council owned cell phone handset and contract.

7.2. Provision Of Council Owned Cell Phone Handset

- 7.2.1. All monthly cell phone costs are paid for by the Municipality directly. Costs above the following allowed limits are regarded as private and deducted from the official or councillor's monthly payroll.
- 7.2.2. The following maximum cell phone limits per month are applicable with regards to officials:

Technical and other (Level 3 and below): Vodacom Talk 200 equivalent value

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Manager (Level 2)	Vodacom Talk 200 equivalent value
Senior Manager (Section 57):	Vodacom Talk 500 equivalent value
Municipal Manager (Section 56):	Vodacom Talk 1000 equivalent value

7.2.3. The maximum cell phone limits per month applicable with regards to councillors is in line with the maximum allowances applicable per the Remuneration of Public Office Bearers Act as announced from time to time.

7.2.4. Maximum cell phone limits are paid mindful of limitations stipulated in current legislation and section 57 employment contracts.

7.3. Cell Phone Vouchers

7.3.1. Cell phone vouchers are limited to a maximum of 60 minutes usage per month per qualifying official.

8. COSTS

8.1. All the costs relating to the acquisitions and monthly bills of cell phone handsets will be paid by the Municipality.

8.2. If an employee exceeds the limit of the cell phone allowance that is paid to him/her, it will be assumed that the difference is for personal use. The amount will then be deducted from the employee's salary.

8.3. Insurance excess payments will be paid by the Municipality. If excess payments are necessary due to the negligence of the employee, the employee will be responsible for the payment thereof.

8.4. Cell phone handsets are insured by the Municipality to the account of the Municipality.

8.5. Any and all insurance claims with regards to cell phone handsets will be handled by the Finance Department directly.

8.6. All excess payments due on successful insurance claims will be for the account of the Municipality.

8.7. In the case of insurance claims on cell phone handsets that in the opinion of the insurer prove to be unsuccessful due to negligence on the part of the official or councillor, the official or councillor will be held liable and will be responsible to pay for the costs of a replacement phone.

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9. LEGAL REQUIREMENTS

- 9.1. In terms of section 66 of the Local Government : Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the accounting officer of the municipality must report to the Council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing (inter alia) cell phone allowances paid.
- 9.2. Claimants will be held liable for any unauthorised expenses as well as expenditure where there is not acceptable documentary proof.
- 9.3. In any instances where this policy is contrary to any act or legislation of the Republic of South Africa, the act or legislation shall take precedence

10. DELEGATION OF POWERS AND AUTHORITY

10.1. Delegation

This policy should be applied with due observance of the municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Council and Municipal Manager as well as between the Municipal Manager and other responsible officials. All delegations in terms of this policy document should be recorded in writing.

10.2. Authority

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the municipal manager, the Mayor will authorize.

11. IMPLEMENTATION OF THIS POLICY

- 11.1. This policy will be effective from the date the policy is approved per council resolution.
- 11.2. The implementation of this policy cannot be backdated and all sections thereof will only be implemented from date of approval.